

Senate File 2202

AN ACT

RELATING TO MATTERS UNDER THE PURVIEW OF THE BANKING DIVISION  
OF THE DEPARTMENT OF COMMERCE, AND INCLUDING EFFECTIVE DATE  
PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MUTUAL OWNERSHIP FOR STATE-CHARTERED BANKS AND STATE HOLDING  
COMPANIES TO FACILITATE CONVERSIONS BY FEDERALLY CHARTERED  
SAVINGS ASSOCIATIONS

Section 1. Section 524.103, subsections 27 and 28, Code

2011, are amended to read as follows:

27. "*Member*" means a person with a membership interest in a state bank organized as a limited liability company or incorporated as a mutual corporation under this chapter.

28. "*Membership interest*" means a member's share of the profits and losses, the right to receive distributions of assets, and any right to vote or participate in management of a state bank organized as a limited liability company under this chapter or of a state bank incorporated as a mutual corporation under this chapter.

Sec. 2. Section 524.103, Code 2011, is amended by adding the following new subsections:

NEW SUBSECTION. 27A. "*Member vote*" means one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of a member's account with respect to a mutual corporation.

NEW SUBSECTION. 29A. "*Mutual bank holding company*" means a bank holding company that is a mutual corporation or that owns or controls a mutual corporation.

NEW SUBSECTION. 29B. "*Mutual corporation*" means a corporation that is incorporated on a mutual ownership basis under this chapter or converted to become subject to this chapter and is not authorized to issue capital stock.

Sec. 3. Section 524.103, subsections 35, 36, and 39, Code 2011, are amended to read as follows:

35. "*Shareholder*" means one who is a holder of record of shares in a state bank. If a state bank is organized as a limited liability company under this chapter, "*shareholder*" means ~~any~~ a member of the limited liability company. If a state bank is incorporated as a mutual corporation under this chapter, "shareholder" means a member of the mutual corporation.

36. "*Shares*" means the units into which the proprietary interests in a state bank incorporated as a stock corporation are divided, including any membership interests of a state bank organized as a limited liability company under this chapter.

39. "*State bank*" means any bank incorporated pursuant to the provisions of this chapter after January 1, 1970, and any "*state bank*" ~~or "savings bank"~~ incorporated pursuant to the laws of this state and doing business as such on January 1, 1970, or a bank organized as a limited liability company or a mutual corporation under this chapter.

Sec. 4. Section 524.103, Code 2011, is amended by adding the

following new subsection:

NEW SUBSECTION. 39A. "*Stock corporation*" means a corporation which is authorized to issue capital stock.

Sec. 5. Section 524.302, subsection 1, paragraph d, Code 2011, is amended to read as follows:

d. (1) The If the state bank will be a stock corporation, the aggregate number of common and preferred shares which the state bank shall have authority to issue and the par value of such shares. If such shares are to be divided into classes or series, the number of shares of each class or series and a statement of the par value of the shares of each class or series.

(2) If the state bank will be a mutual corporation, that the corporation will be a mutual corporation.

Sec. 6. NEW SECTION. 524.316 State banks as mutual corporations.

The superintendent may adopt rules to ensure that a state bank incorporated as a mutual corporation is operating in a safe and sound manner and is subject to the superintendent's authority in the same manner as a state bank incorporated as a stock corporation.

Sec. 7. Section 524.405, Code 2011, is amended to read as follows:

**524.405 Increase or decrease of capital structure.**

1. A state bank incorporated as a stock corporation may increase its capital structure or effect an allocation of amounts within its capital structure, by the use of any of the following methods:

- a. Sale of authorized but unissued shares.
- b. Transfer of surplus or undivided profits to capital for authorized but unissued shares.
- c. Transfer of undivided profits to surplus.
- d. Authorization and issuance of common shares, preferred shares, or capital notes or debentures.

2. The superintendent, whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank incorporated as a stock corporation, may require that the capital structure of the state bank be increased by either of the methods provided for in subsection 1, paragraphs "a" and "d".

3. Capital or surplus shall not be decreased except with the approval of the superintendent.

4. A state bank incorporated as a mutual corporation

may raise capital by accepting payments on savings and demand accounts and by any other means authorized by the superintendent. Whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank incorporated as a mutual corporation, the superintendent may require that the capital structure of the state bank be increased by any means authorized by the superintendent.

Sec. 8. Section 524.521, subsections 1 and 2, Code 2011, are amended to read as follows:

1. The articles of incorporation of a stock corporation must prescribe the classes of shares and the number of shares of each class that the state bank is authorized to issue. If more than one class of shares is authorized, the articles of incorporation must prescribe a distinguishing designation for each class. Prior to the issuance of shares of a class, the preferences, limitations, and relative rights of that class must be described in the articles of incorporation. All shares of a class must have preferences, limitations, and relative rights identical with those of other shares of the same class except to the extent otherwise permitted by section 524.523.

2. The articles of incorporation of a stock corporation must authorize both of the following:

a. One or more classes of shares that together have unlimited voting rights.

b. One or more classes of shares, which may be the same class or classes as those with voting rights, that together are entitled to receive the net assets of the state bank upon dissolution.

Sec. 9. Section 524.523, subsection 1, Code 2011, is amended to read as follows:

1. The shares of a state bank incorporated as a stock corporation shall be represented by certificates signed by such officers, employees, or agents as are authorized by the articles of incorporation or bylaws to sign. If no contrary provisions are made in the articles of incorporation or bylaws, the certificates shall be signed by the president or a vice president and the cashier or an assistant cashier of the state bank.

Sec. 10. Section 524.526, subsection 1, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A state bank incorporated as a stock corporation may do any of the following:

Sec. 11. Section 524.527, Code 2011, is amended to read as

follows:

**524.527 Liability of shareholders.**

1. A purchaser of the shares of a state bank incorporated as a stock corporation is not liable to the bank, its creditors, or depositors with respect to the shares except to pay the consideration for which the shares were authorized to be issued under section 524.521, or the consideration specified in the subscription agreement authorized under section 524.525.

2. Unless otherwise provided in the articles of incorporation, a shareholder of a state bank is not personally liable for the acts or debts of the state bank, its creditors, or depositors.

3. A member of a state bank incorporated as a mutual corporation is not personally liable for the acts or debts of the state bank, its creditors, or depositors.

Sec. 12. NEW SECTION. **524.538A Voting by member of mutual corporation.**

All holders of savings, demand, or other authorized accounts of a bank incorporated as or converted to be a mutual corporation are members of the state bank. In the consideration of all questions requiring action by the members of the state bank, each holder of an account shall be permitted to cast one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of the member's account. No member, however, shall cast more than one thousand member votes. All accounts shall be nonassessable.

Sec. 13. Section 524.545, Code 2011, is amended to read as follows:

**524.545 Options for shares.**

A state bank incorporated as a stock corporation may authorize the granting of options to officers and employees to purchase unissued shares of the state bank in accordance with a plan approved by the superintendent.

Sec. 14. NEW SECTION. **524.1421 Mutual to stock conversions.**

1. A mutual corporation, a mutual holding company, a federal mutual association, or a federal mutual holding company, subject to the provisions of this chapter, may convert into a stock corporation that is either a state bank or a state bank mutual bank holding company upon approval of the superintendent.

2. A mutual corporation, a mutual holding company, a federal mutual association, or a federal mutual holding company shall make an application to the superintendent for approval of

the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available, the following:

- a.* Articles of conversion.
- b.* A business plan addressing factors prescribed by the superintendent.
- c.* Proof of publication of the notice required by section 524.1422.
- d.* The applicable fee payable to the secretary of state, under section 490.122, for the filing and recording of the articles of conversion.

3. The superintendent may adopt rules governing mutual to stock conversions.

**Sec. 15. NEW SECTION. 524.1422 Notice of mutual to stock conversion.**

Within thirty days after an application for conversion has been accepted for processing, the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company shall publish a notice of the delivery of the articles of conversion to the superintendent in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company has its principal place of business. The notice shall set forth the information required by the superintendent.

**Sec. 16. Section 524.1504, subsection 1, paragraphs e and f, Code 2011, are amended to read as follows:**

*e.* The For a stock corporation, the number of shares entitled to vote on the amendment, and if the shares of any class are entitled to vote thereon as a class, the number of shares of each class. For a mutual corporation, the number of member votes entitled to be cast.

*f.* The number of shares or member votes voted for and against such amendment, respectively, and if the shares of any class are entitled to vote thereon as a class, the number of shares of each such class voted for and against such amendment.

**Sec. 17. NEW SECTION. 524.1809 Mutual bank holding companies.**

1. A state bank may be owned, directly or indirectly, by a mutual bank holding company.

2. A mutual holding company authorized pursuant to 12 U.S.C. § 1467a and regulations promulgated thereunder may convert to a mutual bank holding company authorized under this chapter.

3. A mutual corporation may reorganize as a mutual holding company in the manner provided in 12 U.S.C. § 1467a(o). The resulting mutual holding company shall be a mutual bank holding company authorized under this chapter.

4. A mutual bank holding company authorized under this chapter shall also be subject to chapter 490, the Iowa business corporations Act. If a provision of chapter 490 conflicts with the provisions of this chapter or a rule of the superintendent adopted pursuant to this chapter, the provisions of this chapter or rule of the superintendent shall control.

5. The superintendent may adopt rules pursuant to chapter 17A pertaining to mutual bank holding companies and reorganizations into mutual bank holding companies under this chapter.

Sec. 18. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

## DIVISION II

### MISCELLANEOUS PROVISIONS

Sec. 19. Section 524.226, unnumbered paragraph 4, Code 2011, is amended to read as follows:

The superintendent, during the period of the superintendent's management of the property and business of the state bank, ~~and prior to such time as the superintendent may apply to the district court for appointment as receiver,~~ may require reimbursement by the state bank to the extent of the expenses incurred by the superintendent in connection with such management.

Sec. 20. Section 524.802, subsection 9, Code 2011, is amended to read as follows:

9. Acquire and hold shares of stock in the appropriate federal home loan bank and to exercise all powers conferred on member banks of the federal home loan bank system that are not inconsistent with this chapter. A purchase of federal home loan bank shares which causes the state bank's holdings to exceed fifteen percent of aggregate capital requires the prior approval of the superintendent. In addition, a state bank may own federal home loan bank shares in an amount exceeding

fifteen percent of the state bank's aggregate capital, but not exceeding twenty-five percent of the state bank's aggregate capital, if the ownership of shares exceeding fifteen percent is needed to support the state bank's participation in the federal home loan bank's acquired member assets program as provided for in 12 C.F.R. pt. 955.

Sec. 21. Section 524.1103, Code 2011, is amended to read as follows:

**524.1103 Exceptions.**

1. The provisions of section 524.1102 shall not apply to any affiliate:

~~1.~~ a. Engaged solely in holding or operating real estate used wholly or substantially by the state bank in its operations or acquired for its future use.

~~2.~~ b. Engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation eligible to discount loans with a farm credit bank.

~~3.~~ c. Engaged solely in holding obligations of the United States, the farm credit banks, the federal home loan banks, or obligations fully guaranteed by the United States as to principal and interest.

~~4.~~ d. Where the affiliate relationship has arisen as a result of shares acquired in satisfaction of a bona fide debt contracted prior to the date of the creation of such relationship provided that such shares shall be sold at public or private sale within one year from the date of the creation of the relationship, unless the time is extended by the superintendent.

~~5.~~ e. Where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a state bank as executor, administrator, trustee, receiver, agent, depository, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the shareholders of such state bank.

~~6.~~ f. Which is a bank.

~~7.~~ g. Which is an operations subsidiary or other subsidiary in which the state bank owns or controls eighty percent or more of the voting shares. However, an operations subsidiary shall not conduct any activity at any location where the state bank itself would not be permitted to conduct that activity without the prior approval of the superintendent.

2. a. The superintendent may, in the superintendent's discretion, by regulation or order, exempt transactions or



relationships from the requirements of section 524.1102 if the superintendent finds such exemptions to be in the public interest and consistent with the purposes of section 524.1102.

b. A state bank may request an exemption from the requirements of section 524.1102 by submitting a written request to the superintendent including all of the following:

(1) A detailed description of the transaction or relationship for which the state bank seeks an exemption.

(2) A statement of the reasons for exemption of the transaction or relationship.

(3) An explanation of how the exemption would be in the public interest and consistent with the purposes of section 524.1102.

Sec. 22. Section 524.1305, subsection 9, Code 2011, is amended to read as follows:

9. If at any time during the course of dissolution proceedings the superintendent finds that the assets of the state bank will not be sufficient to discharge its obligations, the superintendent shall ~~apply to the district court for appointment as receiver~~ tender to the federal deposit insurance corporation the receivership in the manner required by section 524.1310, and the dissolution shall thereafter be treated as an involuntary dissolution in accordance with the terms of that section and sections 524.1311 and 524.1312.

Sec. 23. Section 524.1310, Code 2011, is amended to read as follows:

**524.1310 Involuntary dissolution after commencement of business — superintendent as receiver.**

1. a. In a situation in which the superintendent has required, in accordance with section 524.226, that the state bank cease to carry on its business, the superintendent shall ~~apply to the district court for the county in which the state bank is located for appointment as receiver for the state bank. The district court shall appoint the superintendent as receiver unless the superintendent has tendered the appointment to the federal deposit insurance corporation as provided for in section 524.1313, in which case the district court shall~~ appoint tender to the federal deposit insurance corporation as receiver the receivership for the state bank. The affairs of the state bank shall thereafter be ~~under the direction of the district court, and the assets of the state bank shall be distributed in accordance with section 524.1312 governed by this section, section 524.1311, and the provisions of federal~~

law, and shall be subject to federal court jurisdiction, and the assets of the state bank shall be distributed in accordance with section 524.1312. If there is a conflict between the provisions of state and federal law, federal law shall govern.

b. All amounts due creditors and shareholders described in section 490.1440 shall be deposited with the treasurer of state in accordance with that section. Such amounts shall be retained by the treasurer of state and subject to claim in the manner provided for in section 490.1440. Amounts due to depositors who are unknown, or who are under a disability and there is no person legally competent to receive the amount, or who cannot be found after the exercise of reasonable diligence, shall be transmitted to the treasurer of state in the manner required by section 524.1305, subsection 6. Such property shall be treated as abandoned, retained by the treasurer of state, and is subject to claim, in the manner provided for in sections 556.14 to 556.21. ~~The attorney general, or assistants appointed by the court, shall represent the superintendent in all proceedings connected with the receivership.~~

2. Under the receivership, the rights of depositors and other creditors of the insured state bank shall be determined in accordance with the laws of this state.

3. The federal deposit insurance corporation as receiver shall possess all the powers, rights, and privileges provided under section 524.1311, except insofar as that section may be in conflict with the laws of the United States.

4. If the federal deposit insurance corporation pays or makes available for payment the insured deposit liabilities of an insured state bank, the federal deposit insurance corporation shall be subrogated by operation of law to all rights against such insured state bank of the owners of such deposits in the same manner and to the same extent as subrogation of the federal deposit insurance corporation is provided for in applicable federal law in the case of a national bank.

Sec. 24. Section 524.1311, Code 2011, is amended to read as follows:

**524.1311 Involuntary dissolution after commencement of business — receivership procedure.**

1. ~~In all situations in which the superintendent has been named the receiver as provided in section 524.1310 the superintendent shall make~~ Under the receivership, a diligent effort shall be made to collect and realize on the assets of

the state bank, and to make distribution of the proceeds from time to time to those entitled thereto. The ~~superintendent~~ federal deposit insurance corporation may execute assignments, releases, and satisfactions to effectuate sales and transfers as receiver or after the receivership has terminated. ~~Upon the order of the court in which the receivership is pending, the superintendent~~ The federal deposit insurance corporation may sell or compound all bad or doubtful debts, and, ~~on a like order,~~ may sell all the real and personal property of such state bank, ~~on such terms as the court shall direct.~~

2. ~~All expenses of the receivership and dissolution shall be fixed by the superintendent, subject to the approval of the district court, and shall be paid out of the assets of the state bank. After the involuntary dissolution of a state bank, the superintendent shall file notice of the dissolution with the secretary of state and the county recorder of the county in which the state bank is located. No fee shall be charged by the secretary of state or the county recorder for the filing or recording. The corporate existence of the state bank shall cease upon filing of the notice of dissolution with the secretary of state.~~

3. ~~At the termination of the receivership, the superintendent shall file a final report containing the details of the superintendent's actions therein, together with such additional facts as the court may require.~~

4. ~~Upon the submission and approval of the final report, the court shall enter a decree dissolving the state bank whereupon the corporate existence of the state bank shall cease. It shall be the duty of the clerk of such court to cause certified copies of the decree to be filed with and recorded by the secretary of state and the county recorder of the county in which is located the state bank. No fee shall be charged by the secretary of state or said county recorder for the filing or recording thereof.~~

Sec. 25. Section 535B.10, subsection 6, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. *h.* The administrator may furnish information relating to supervision of closing agent licensees whose activities relate to the issuance of title guaranty certificates issued by the title guaranty division of the Iowa finance authority to the title guaranty division. The title guaranty division may use this information to satisfy its reinsurance requirements and may provide the information

to its reinsurer to the extent necessary to satisfy reinsurer requirements provided the reinsurer agrees to maintain the confidentiality of the information. The title guaranty division shall maintain the confidentiality of the information provided pursuant to this paragraph in all other respects.

Sec. 26. Section 602.8102, subsection 72, Code 2011, is amended by striking the subsection.

Sec. 27. REPEAL. Section 524.1313, Code 2011, is repealed.

Sec. 28. EFFECTIVE UPON ENACTMENT. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this Act amending section 524.226, unnumbered paragraph 4.
2. The section of this Act amending section 524.1305, subsection 9.
3. The section of this Act amending section 524.1310.
4. The section of this Act amending section 524.1311.
5. The section of this Act repealing section 524.1313.
6. The section of this Act striking section 602.8102, subsection 72.

### DIVISION III

#### SAVINGS AND LOAN ASSOCIATIONS

Sec. 29. Section 7C.9, Code 2011, is amended to read as follows:

##### **7C.9 Nonbusiness days.**

If the expiration date of either the one-hundred-twenty-day period or the thirty-day extension period described in subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any day on which the offices of the state, or banking institutions, ~~or savings and loan associations~~ in the state are authorized or required to close, the expiration date is extended to the first day thereafter which is not a Saturday, Sunday, or other previously described day.

Sec. 30. Section 12.61, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. "*Financial institution*" means a state bank as defined in section 524.103, subsection 39, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, ~~an association incorporated or authorized to do business under chapter 534,~~ or a trust company

organized or incorporated under the laws of this state.

Sec. 31. Section 12.71, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations~~, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 32. Section 12.81, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations~~, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 33. Section 12.87, subsection 5, Code Supplement 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations~~, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 34. Section 12.91, subsection 6, Code 2011, is amended to read as follows:

6. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings

associations, ~~savings and loan associations~~, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 35. Section 12A.4, subsection 4, Code 2011, is amended to read as follows:

4. Bonds issued under this chapter are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554. Bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations~~, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 36. Section 12C.1, subsection 2, Code Supplement 2011, is amended to read as follows:

2. As used in this chapter unless the context otherwise requires:

*a.* "*Bank*" means a corporation or limited liability company engaged in the business of banking and organized under the laws of this state, another state, or the United States. "*Bank*" also means a savings and loan, savings association, or savings bank organized under the laws of ~~this state~~, another state, or the United States.

*b.* "*Credit union*" means a cooperative, nonprofit association incorporated under chapter 533 or the federal Credit Union Act, 12 U.S.C. § 1751 et seq., and that is insured by the national credit union administration and includes an office of a credit union.

*c.* "*Depository*" means a bank, ~~a savings and loan~~, or a credit union in which public funds are deposited under this chapter.

*d.* "*Financial institution*" means a bank or a credit union.

*e.* "*Public funds*" and "*public deposits*" mean any of the following:

(1) The moneys of the state or a political subdivision or instrumentality of the state including a county,

school corporation, special district, drainage district, unincorporated town or township, municipality, or municipal corporation or any agency, board, or commission of the state or a political subdivision. Moneys of the state include moneys which are transmitted to a depository for purposes of completing an electronic financial transaction pursuant to section 159.35.

(2) The moneys of any court or public body noted in subsection 1.

(3) The moneys of a legal or administrative entity created pursuant to chapter 28E.

(4) The moneys of an electric power agency as defined in section 28F.2 or 390.9.

(5) Federal and state grant moneys of a quasi-public state entity that are placed in a depository pursuant to this chapter.

(6) Moneys placed in a depository for the purpose of completing an electronic financial transaction pursuant to section 8A.222 or 331.427.

*f.* "Public officer" means the person authorized by and acting for a public body to deposit public funds of the public body.

~~*g.* "Savings and loan" means a corporation authorized to operate under chapter 534 or the federal Home Owner's Loan Act of 1933, 12 U.S.C. § 1461 et seq., and includes a savings and loan association, a savings bank, or any branch of a savings and loan association or savings bank.~~

~~*h.*~~ *g.* "Superintendent" means the superintendent of banking of this state when the depository is a bank, and the superintendent of credit unions of this state when the depository is a credit union.

~~*i.*~~ *h.* "Uninsured public funds" means any amount of public funds of a public funds depositor on deposit in an account at a financial institution that exceeds the amount of public funds in that account that are insured by the federal deposit insurance corporation or the national credit union administration.

Sec. 37. Section 12C.13, Code 2011, is amended to read as follows:

**12C.13 Deposit not membership.**

Notwithstanding chapter 534 524, the deposit of public funds in a credit union as defined in section 533.102 or ~~an association defined in section 534.102~~ a mutual corporation

as defined in section 524.103 does not constitute being a shareholder, stockholder, or owner of a corporation in violation of Article VIII of the Constitution of the State of Iowa or any other provision of law.

Sec. 38. Section 12C.20, subsections 1 and 4, Code 2011, are amended to read as follows:

1. On or before the tenth day of February, May, August, and November of each year, each ~~savings and loan and each~~ out-of-state bank that has one or more branches in the state shall calculate and certify to the superintendent of banking in the form prescribed by the superintendent the amount of public funds on deposit ~~at the savings and loan and~~ at each such branch of the out-of-state bank as of the end of the previous calendar quarter.

4. On or before the twentieth day of February, May, August, and November of each year, the superintendent shall notify the treasurer of state of the amount of collateral required to be pledged as of the end of the previous calendar quarter based upon the certification provided to the superintendent under subsection 1 or 2 and a review by the superintendent of the quarterly call report filed by each bank that is not ~~a savings and loan or~~ an out-of-state bank.

Sec. 39. Section 12E.11, subsection 8, Code 2011, is amended to read as follows:

8. The bonds issued under this chapter are securities in which insurance companies and associations and other persons engaged in the business of insurance; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 40. Section 16.1, subsection 1, paragraph y, Code Supplement 2011, is amended to read as follows:

y. "*Mortgage lender*" means any bank, trust company, mortgage company, national banking association, federal ~~savings and loan~~ association, life insurance company, any governmental agency, or any other financial institution authorized to make mortgage loans in this state and includes a financial institution as defined in section 496B.2, subsection 4, which lends moneys for industrial or business purposes.

Sec. 41. Section 16.30, Code 2011, is amended to read as



follows:

**16.30 Bonds and notes as legal investments.**

Bonds and notes of the authority are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings and ~~loan~~ associations, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries, and other persons authorized to invest in bonds or other obligations of this state, may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions, for any purpose for which the deposit of bonds or other obligations of this state is authorized.

Sec. 42. Section 16.177, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state, political subdivisions of this state, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings associations, ~~savings and loan associations~~, and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 43. Section 28J.18, Code 2011, is amended to read as follows:

**28J.18 Revenue bonds are lawful investments.**

Port authority revenue bonds issued pursuant to this chapter are lawful investments of banks, credit unions, trust companies, savings and ~~loan~~ associations, deposit guaranty associations, insurance companies, trustees, fiduciaries, trustees or other officers having charge of the bond retirement funds or sinking funds of port authorities and governmental agencies, and taxing districts of this state, the pension and annuity retirement system, the Iowa public employees' retirement system, the police and fire retirement systems under chapters 410 and 411, a revolving fund of a governmental agency of this state, and are acceptable as security for the deposit

of public funds under chapter 12C.

Sec. 44. Section 68A.503, subsections 1 through 4, Code 2011, are amended to read as follows:

1. Except as provided in subsections 3, 4, 5, and 6, an insurance company, savings ~~and loan~~ association, bank, credit union, or corporation shall not make a monetary or in-kind contribution to a candidate or committee except for a ballot issue committee.

2. Except as provided in subsection 3, a candidate or committee, except for a ballot issue committee, shall not receive a monetary or in-kind contribution from an insurance company, savings ~~and loan~~ association, bank, credit union, or corporation.

3. An insurance company, savings ~~and loan~~ association, bank, credit union, or corporation may use money, property, labor, or any other thing of value of the entity for the purposes of soliciting its stockholders, administrative officers, professional employees, and members for contributions to a political committee sponsored by that entity and for financing the administration of a political committee sponsored by that entity. The entity's employees to whom the foregoing authority does not extend may voluntarily contribute to such a political committee but shall not be solicited for contributions. A candidate or committee may solicit, request, and receive money, property, labor, and any other thing of value from a political committee sponsored by an insurance company, savings ~~and loan~~ association, bank, credit union, or corporation as permitted by this subsection.

4. The prohibitions in subsections 1 and 2 shall not apply to an insurance company, savings ~~and loan~~ association, bank, credit union, or corporation engaged in any of the following activities:

*a.* Using its funds to encourage registration of voters and participation in the political process or to publicize public issues.

*b.* Using its funds to expressly advocate the passage or defeat of ballot issues.

*c.* Using its funds for independent expenditures as provided in section 68A.404.

*d.* Using its funds to place campaign signs as permitted under section 68A.406.

Sec. 45. Section 175.2, subsection 1, paragraphs 1 and o, Code 2011, are amended to read as follows:

1. "*Lending institution*" means a bank, trust company, mortgage company, national banking association, ~~savings and loan association~~, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make farm operating loans in this state.

o. "*Mortgage lender*" means a bank, trust company, mortgage company, national banking association, ~~savings and loan association~~, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make mortgage loans or secured loans in this state.

Sec. 46. Section 175.21, Code 2011, is amended to read as follows:

**175.21 Bonds and notes as legal investments.**

Bonds and notes are securities in which public officers, state departments and agencies, political subdivisions, insurance companies and other persons carrying on an insurance business, banks, trust companies, ~~savings and loan associations~~, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries and other persons authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies and political subdivisions for any purpose for which the deposit of bonds or other obligations of this state is authorized.

Sec. 47. Section 179.1, subsection 8, Code 2011, is amended to read as follows:

8. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 48. Section 181.1, subsection 7, Code 2011, is amended to read as follows:

7. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 49. Section 183A.1, subsection 9, Code 2011, is amended to read as follows:

9. "*Qualified financial institution*" means a bank, or credit

~~union, or savings and loan~~ as defined in section 12C.1.

Sec. 50. Section 184.1, subsection 10, Code 2011, is amended to read as follows:

10. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 51. Section 184A.1, subsection 8, Code 2011, is amended to read as follows:

8. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 52. Section 185.1, subsection 13, Code 2011, is amended to read as follows:

13. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 53. Section 185C.1, subsection 13, Code 2011, is amended to read as follows:

13. "*Qualified financial institution*" means a bank, or credit union, ~~or savings and loan~~ as defined in section 12C.1.

Sec. 54. Section 202C.1, subsection 4, Code 2011, is amended to read as follows:

4. "*Financial institution*" means a bank or savings and loan association authorized by ~~this state or by~~ the laws of the United States, which is a member of the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national bank for cooperatives established in the Agricultural Credit Act, Pub. L. No. 100-233.

Sec. 55. Section 203.1, subsection 7, paragraph a, Code 2011, is amended to read as follows:

a. A bank or savings and loan association authorized by the laws of ~~this state~~, any other state, or the United States, which is a member of the federal deposit insurance corporation.

Sec. 56. Section 206.2, subsection 12, Code 2011, is amended to read as follows:

12. "*Financial institution*" means a bank or savings and loan association authorized by ~~this state or by~~ the laws of the United States, which is a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation.

Sec. 57. Section 216.10, subsection 1, paragraph b, Code 2011, is amended to read as follows:

b. Person authorized or licensed to do business in this state pursuant to chapter 524, 533, ~~534~~, 536, or 536A to refuse to loan or extend credit or to impose terms or conditions more onerous than those regularly extended to persons of

similar economic backgrounds because of age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, gender identity, physical disability, or familial status.

Sec. 58. Section 234.37, Code 2011, is amended to read as follows:

**234.37 Department may establish accounts for certain children.**

The department of human services is authorized to establish an account in the name of any child committed to the director of human services or the director's designee, or whose legal custody has been transferred to the department, or who is voluntarily placed in foster care pursuant to section 234.35. Any money which the child receives from the United States government or any private source shall be placed in the child's account, unless a guardian of the child's property has been appointed and demands the money, in which case it shall be paid to the guardian. The account shall be maintained by the department as trustee for the child in an interest-bearing account at a reputable bank or savings ~~and loan~~ association, except that if the child is residing at an institution administered by the department a limited amount of the child's funds may be maintained in a separate account, which need not be interest bearing, in the child's name at the institution. Any money held in an account in the child's name or in trust for the child under this section may be used, at the discretion of the department and subject to restrictions lawfully imposed by the United States government or other source from which the child receives the funds, for the purchase of personal incidentals, desires and comforts of the child. All of the money held for a child by the department under this section and not used in the child's behalf as authorized by law shall be promptly paid to the child or the child's parent or legal guardian upon termination of the commitment of the child to the director or the director's designee, or upon transfer or cessation of legal custody of the child by the department.

Sec. 59. Section 235B.19, subsection 3, paragraph d, subparagraph (2), Code Supplement 2011, is amended to read as follows:

(2) Withdrawing funds from any bank, savings ~~and loan~~ association, credit union, or other financial institution, or from an account containing securities in which the dependent adult has an interest.

Sec. 60. Section 235B.19, subsection 8, paragraph f, Code Supplement 2011, is amended to read as follows:

*f.* Withdrawing funds from any bank, savings ~~and loan~~ association, credit union, or other financial institution, or from a stock account in which the dependent adult has an interest.

Sec. 61. Section 252I.1, subsection 1, Code 2011, is amended to read as follows:

1. "*Account*" means "account" as defined in section 524.103, ~~"share account or shares" as defined in section 534.102,~~ the savings or deposits of a member received or being held by a credit union, or certificates of deposit. "*Account*" also includes deposits held by an agent, a broker-dealer, or an issuer as defined in section 502.102 and money-market mutual fund accounts and "account" as defined in 42 U.S.C. § 666(a)(17). However, "*account*" does not include amounts held by a financial institution as collateral for loans extended by the financial institution.

Sec. 62. Section 252I.1, subsection 7, Code 2011, is amended by striking the subsection.

Sec. 63. Section 257C.8, subsection 7, Code 2011, is amended to read as follows:

7. The bonds of the authority are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 64. Section 260C.64, Code 2011, is amended to read as follows:

**260C.64 Who may invest.**

All banks, trust companies, building and loan associations, savings ~~and loan~~ associations, investment companies, and other persons carrying on an investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes issued pursuant to

this division. However, this section shall not be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 65. Section 261.71, subsection 2, Code 2011, is amended to read as follows:

2. The contract for the loan repayment shall stipulate the time period the chiropractor shall practice in an underserved area in this state. In addition, the contract shall stipulate that the chiropractor repay any funds paid on the chiropractor's loan by the commission if the chiropractor fails to practice in an underserved area in this state for the required period of time. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has graduated. A loan that has not been forgiven may be sold to a bank, savings and loan association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

Sec. 66. Section 261A.19, Code 2011, is amended to read as follows:

**261A.19 Investment of funds of authority.**

Except as otherwise provided in section 261A.18, subsection 3, the authority may invest funds in direct obligations of the United States of America; obligations for which the timely payment of principal and interest is fully guaranteed by the United States of America; obligations of the federal intermediate credit banks, federal banks for cooperatives, federal land banks, federal home loan banks, federal national mortgage association, government national mortgage association and the student loan marketing association; certificates of deposit or time deposits constituting direct obligations of a bank as defined by chapter 524; and in withdrawable capital accounts or deposits of ~~state or~~ federal chartered savings and loan associations which are insured by the federal ~~savings and loan~~ deposit insurance corporation. However, investments may be made only in certificates of deposit or time deposits in banks which are insured by the federal deposit insurance corporation if then in existence. Securities authorized in this section may be purchased at the offering or market price at the time of the purchase. The securities purchased shall mature or be redeemable on dates prior to the time when, in the judgment of the authority, the funds invested will be required

for expenditure. The judgment of the authority as to the time when funds will be required for expenditure or be redeemable is final.

Sec. 67. Section 261A.20, Code 2011, is amended to read as follows:

**261A.20 Obligations as legal investments.**

Banks, bankers, trust companies, ~~savings banks and institutions, building and loan associations, federally chartered~~ savings and loan associations, investment companies, and other persons carrying on a banking or investment business, insurance companies and insurance associations, and executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, moneys, or other funds belonging to them or within their control in obligations of the authority.

Sec. 68. Section 262.63, Code 2011, is amended to read as follows:

**262.63 Who may invest.**

All banks, trust companies, ~~building and loan associations, savings and loan associations,~~ investment companies, and other persons carrying on an investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or notes issued pursuant to this division; provided, however, that nothing contained in this section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 69. Section 262A.11, Code 2011, is amended to read as follows:

**262A.11 Bonds as security for investments.**

All banks, trust companies, bankers, ~~savings banks and institutions, building and loan associations,~~ savings and loan associations, investment companies, and other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued pursuant to this chapter; provided, however, that nothing contained in this



section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 70. Section 263A.9, Code 2011, is amended to read as follows:

**263A.9 Investment in bonds or notes by financial institutions.**

All banks, trust companies, bankers, ~~savings banks and institutions, building and loan associations,~~ savings and loan associations, investment companies, and other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or notes issued pursuant to this chapter; provided, however, that nothing contained in this section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 71. Section 322.7A, subsection 6, paragraph e, Code 2011, is amended to read as follows:

e. Banks, credit unions, and savings ~~and loan~~ associations.

Sec. 72. Section 331.301, subsection 10, paragraph g, Code Supplement 2011, is amended to read as follows:

g. A lease or lease-purchase contract to which a county is a party or in which a county has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, ~~building and loan associations,~~ savings ~~and loan~~ associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

Sec. 73. Section 331.402, subsection 3, paragraph f, Code Supplement 2011, is amended to read as follows:

f. A loan agreement to which a county is a party or in which a county has a participatory interest is an obligation of a political subdivision of this state for the purpose of chapters 502 and 636, and is a lawful investment for banks, trust companies, savings ~~and loan~~ associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for

the investment of funds.

Sec. 74. Section 331.602, subsection 27, Code 2011, is amended by striking the subsection.

Sec. 75. Section 364.4, subsection 4, paragraph g, Code Supplement 2011, is amended to read as follows:

*g.* A lease or lease-purchase contract to which a city is a party or in which a city has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, ~~building and loan associations,~~ savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

Sec. 76. Section 384.24A, subsection 6, Code 2011, is amended to read as follows:

6. A loan agreement to which a city is a party or in which the city has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, ~~building and loan associations,~~ savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

Sec. 77. Section 390.20, subsection 1, Code 2011, is amended to read as follows:

1. A bank, trust company, savings association, ~~building and loan association,~~ ~~savings and loan association,~~ or investment company.

Sec. 78. Section 403.10, Code 2011, is amended to read as follows:

**403.10 Bonds as legal investment.**

All banks, trust companies, ~~building and loan associations,~~ savings and loan associations, investment companies, and other persons carrying on an investment business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a municipality pursuant to this chapter, or those issued by any urban renewal agency vested with urban renewal project powers under section 403.14. Such bonds and other obligations

shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

Sec. 79. Section 421.17A, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. *"Account"* means "account" as defined in section 524.103, ~~"share account or shares" as defined in section 534.102,~~ or the savings or deposits of a member received or being held by a credit union or a savings association, or certificates of deposit. *"Account"* also includes deposits held by an agent, a broker-dealer, or an issuer as defined in section 502.102. However, *"account"* does not include amounts held by a financial institution as collateral for loans extended by the financial institution.

Sec. 80. Section 421.17A, subsection 1, paragraph e, Code 2011, is amended to read as follows:

e. *"Financial institution"* includes a bank, credit union, or savings ~~and loan~~ association. *"Financial institution"* also includes an institution which holds deposits for an agent, broker-dealer, or an issuer as defined in section 502.102.

Sec. 81. Section 421.17A, subsection 1, paragraph g, Code 2011, is amended by striking the paragraph.

Sec. 82. Section 422.34, subsection 1, Code 2011, is amended to read as follows:

1. All state, national, private, cooperative, and savings banks, credit unions, title insurance and trust companies, federally chartered savings and loan associations, production credit associations, insurance companies or insurance associations, reciprocal or inter-insurance exchanges, and fraternal beneficiary associations.

Sec. 83. Section 422.61, subsection 1, Code 2011, is amended to read as follows:

1. *"Financial institution"* means a state bank as defined in section 524.103, subsection 39, a state bank chartered under the laws of any other state, a national banking association, a trust company, a federally chartered savings and loan association, an out-of-state state chartered savings bank, a financial institution chartered by the federal home loan bank

board, a non-Iowa chartered savings and loan association, ~~an association incorporated or authorized to do business under chapter 534,~~ or a production credit association.

Sec. 84. Section 423.2, subsection 6, paragraph b, Code Supplement 2011, is amended to read as follows:

b. For the purposes of this subsection, "*financial institutions*" means all national banks, federally chartered savings and loan associations, federally chartered savings banks, federally chartered credit unions, banks organized under chapter 524, ~~savings and loan associations and savings banks organized under chapter 534,~~ credit unions organized under chapter 533, and all banks, savings banks, credit unions, and savings and loan associations chartered or otherwise created under the laws of any state and doing business in Iowa.

Sec. 85. Section 445.5, subsection 2, paragraph a, subparagraph (4), Code Supplement 2011, is amended to read as follows:

(4) Financial institution organized or chartered or holding an authorization certificate pursuant to chapter 524, or 533, ~~or 534.~~

Sec. 86. Section 455G.6, subsection 11, Code 2011, is amended to read as follows:

11. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 87. Section 463C.12, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state, political subdivisions of this state, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or

belonging to them.

Sec. 88. Section 483A.55, Code 2011, is amended to read as follows:

**483A.55 Bonds as legal investments.**

Bonds are securities in which all public officers and bodies of the state and all municipalities and political subdivisions of this state, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, ~~savings banks,~~ and savings associations, ~~including savings and loan associations, building loan associations,~~ investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries and all other persons who are now or may be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities and legal subdivisions of this state for any purpose for which the deposit of bonds or other obligations of the state is now or may be authorized.

Sec. 89. Section 490.1701, subsection 2, Code 2011, is amended to read as follows:

2. Unless otherwise provided, this chapter does not apply to an entity subject to chapter 174, 497, 498, 499, 499A, 524, or ~~533, or 534~~ or a corporation organized on the mutual plan under chapter 491, or a telephone company organized as a corporation under chapter 491 qualifying pursuant to an internal revenue service letter ruling under Internal Revenue Code § 501(c)(12) as a nonprofit corporation entitled to distribute profits in a manner similar to a chapter 499 corporation, unless such entity voluntarily elects to adopt the provisions of this chapter and complies with the procedure prescribed by subsection 3 of this section.

A corporation organized under chapter 496C may voluntarily elect to adopt the provisions of this chapter by complying with the provisions prescribed by subsection 3.

Sec. 90. Section 491.10, Code 2011, is amended to read as follows:

**491.10 Interpretative clause.**

Nothing in sections 491.5 to 491.9 shall be construed as repealing or modifying any statute now in force in respect to the approval of articles of incorporation relating to insurance

companies, ~~building and loan associations~~ or investment companies.

Sec. 91. Section 491.50, unnumbered paragraph 2, Code 2011, is amended to read as follows:

The provisions of sections 491.46 and 491.47 and this section shall not apply to ~~building and loan associations,~~ savings and loan associations, deposit, loan, and investment records of banks, and trust companies, or insurance companies organized under the laws of the state of Iowa, and to whom the provisions of this chapter would otherwise be applicable.

Sec. 92. Section 491.58, Code 2011, is amended to read as follows:

**491.58 Liability of stockholders.**

Neither anything in this chapter contained, nor any provisions in the articles of corporation, shall exempt the stockholders from individual liability to the amount of the unpaid installments on the stock owned by them, or transferred by them for the purpose of defrauding creditors; and execution against the company may, to that extent, be levied upon the private property of any such individual. ~~The foregoing provisions shall not apply to building and loan associations, and savings and loan associations.~~

Sec. 93. Section 492.5, Code 2011, is amended to read as follows:

**492.5 Par value required.**

No corporation organized under the laws of this state, ~~except building and loan associations,~~ shall issue any certificate of a share of capital stock, or any substitute therefor, until the corporation has received the par value thereof.

Sec. 94. Section 492.9, Code 2011, is amended to read as follows:

**492.9 Certificate of issuance of stock.**

It shall be the duty of every corporation, ~~except corporations qualified under chapter 534,~~ to file a certificate under oath with the secretary of state, within thirty days after the issuance of any capital stock, stating the date of issue, the amount issued, the sum received therefor, if payment be made in money, or the property or thing taken, if such be the method of payment. If the corporation fails to file said certificate of issuance of stock within the thirty-day period herein provided, it may thereafter file the same upon first paying to the secretary of state a penalty of ten dollars when

the said certificate is offered for filing. Provided further that the penalty herein provided for is first paid and provided the said report contains the specific information required by this section as to the issuance of any capital stock not previously reported, then the first annual report filed by such corporation following such failure to comply with the provisions of this section, shall be received by the secretary of state as a compliance with this section.

Sec. 95. Section 493.1, Code 2011, is amended to read as follows:

**493.1 Authorization.**

Any corporation, heretofore or hereafter organized for pecuniary profit under the laws of this state, except state banks, trust companies, ~~building and loan associations~~ and insurance companies, may create one or more classes of stock without any nominal or par value, with such rights, preferences, privileges, voting powers, limitations, restrictions and qualifications thereon not inconsistent with law as shall be expressed in its articles of incorporation, or any amendment thereto. Stock without par value which is preferred as to dividends, or as to its distributive share of the assets of the corporation upon dissolution, may be made subject to redemption at such times and prices as may be determined in such articles of incorporation, or any amendment thereto. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of such preference shall be stated in the articles of incorporation, or any amendment thereto.

Sec. 96. Section 496B.2, subsection 4, Code Supplement 2011, is amended to read as follows:

4. "*Financial institution*" means any bank, trust company, savings ~~and loan~~ association, insurance company or related corporation, partnership, foundation or other institution licensed to do business in the state of Iowa and engaged primarily in lending or investing funds.

Sec. 97. Section 496B.9, subsection 3, paragraph b, subparagraph (2), Code 2011, is amended by striking the subparagraph.

Sec. 98. Section 501A.601, subsection 1, paragraph b, Code 2011, is amended to read as follows:

b. This section does not give a cooperative the power or authority to exercise the powers of a credit union under

chapter 533, or a bank under chapter 524, ~~or a savings and loan association under chapter 534.~~

Sec. 99. Section 515C.9, Code 2011, is amended to read as follows:

**515C.9 Restrictions on advertising.**

No bank, savings and loan association, insurance company, or other lending institution, any of whose authorized real estate securities are insured by mortgage guaranty insurance companies may state in any brochure, pamphlet, report, or any form of advertising that the real estate loans of the bank, savings and loan association, insurance company, or other lending institution are "insured loans" unless the brochure, pamphlet, report, or advertising also clearly states that the loans are insured by private insurers and the names of the private insurers are given and shall not make any such statement at all unless such insurance is by an insurer authorized to write this coverage in this state.

Sec. 100. Section 516E.10, subsection 1, paragraph h, Code 2011, is amended to read as follows:

*h.* A bank, savings and loan association, credit union, insurance company, or other lending institution shall not require the purchase of a service contract as a condition of a loan.

Sec. 101. Section 523A.102, subsection 11, unnumbered paragraph 1, Code 2011, is amended to read as follows:

"*Financial institution*" means a state or federally insured bank, savings and loan association, credit union, trust department thereof, or a trust company authorized to do business within this state and which has been granted trust powers under the laws of this state or the United States, which holds funds under a trust agreement. "*Financial institution*" does not include:

Sec. 102. Section 523C.17, Code 2011, is amended to read as follows:

**523C.17 Lending institutions, service companies, and insurance companies.**

A bank, savings and loan association, insurance company, or other lending institution shall not require the purchase of a residential service contract as a condition of a loan. A service company or an insurer, either directly or indirectly, as a part of any real property transaction in which a residential service contract will be issued, purchased, or acquired, shall not require that a residential service contract



be issued, purchased, or acquired in conjunction with or as a condition precedent to the issuance, purchase, or acquisition, by any person, of a policy of insurance. A lending institution shall not sell a residential service contract to a borrower unless the borrower signs an affidavit acknowledging that the purchase is not required. Violation of this section is punishable as provided in section 523C.13.

Sec. 103. Section 523I.102, subsection 12, Code 2011, is amended to read as follows:

12. "*Financial institution*" means a state or federally insured bank, savings and loan association, credit union, trust department thereof, or a trust company that is authorized to do business within this state, that has been granted trust powers under the laws of this state or the United States, and that holds funds under a trust agreement. "*Financial institution*" does not include a cemetery or any person employed by or directly involved with a cemetery.

Sec. 104. Section 524.103, subsection 38, Code 2011, is amended by striking the subsection.

Sec. 105. Section 524.107, subsection 2, Code 2011, is amended to read as follows:

2. A person doing business in this state shall not use the words "bank" or "trust" or use any derivative, plural, or compound of the words "bank", "banking", "bankers", or "trust" in any manner which would tend to create the impression that the person is authorized to engage in the business of banking or to act in a fiduciary capacity, except a state bank authorized to do so by this chapter, a national bank to the extent permitted by the laws of the United States, a bank holding company as defined in section 524.1801, a savings and loan holding company as defined in 12 U.S.C. § 1467a, a ~~state association pursuant to section 534.507~~, or a federal association to the extent permitted by the laws of the United States, or, insofar as the word "trust" is concerned, an individual permissibly serving as a fiduciary in this state, pursuant to section 633.63, or, insofar as the words "trust" and "bank" are concerned, a nonresident corporate fiduciary permissibly serving as a fiduciary in this state pursuant to section 633.64.

Sec. 106. Section 524.211, subsection 1, Code Supplement 2011, is amended to read as follows:

1. The superintendent, general counsel, examiners, and other employees assigned to the bank bureau of the banking

division are prohibited from obtaining a loan of money or property from a state-chartered bank, ~~a state savings and loan association,~~ or any person or entity affiliated with a state-chartered bank, ~~or a state savings and loan association,~~ unless they do not personally participate in the examination, oversight, or official review concerning the regulation of the bank ~~or savings and loan association.~~

Sec. 107. Section 524.216, subsection 2, paragraph b, Code 2011, is amended to read as follows:

b. A summary of the assets, liabilities, and capital structure of all state banks ~~and state savings and loan associations~~ as of June 30 of the year for which the report is made.

Sec. 108. Section 524.821, subsection 1, Code 2011, is amended to read as follows:

1. A state bank may engage in any transaction incidental to the conduct of the business of banking and otherwise permitted by applicable law, by means of either the direct transmission of electronic impulses to or from customers and banks or the recording of electronic impulses or other indicia of a transaction for delayed transmission to a bank. Subject to the provisions of chapter 527, a state bank may utilize, establish or operate, alone or with one or more other banks, savings and loan associations incorporated under ~~the provisions of chapter 534 or~~ federal law, credit unions incorporated under the provisions of chapter 533 or federal law, corporations licensed under chapter 536A, or third parties, the satellite terminals permitted under chapter 527, by means of which customers and banks may transmit and receive electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527. Nothing in this section shall be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, nor shall anything in this section be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any bank.

Sec. 109. Section 524.1401, subsections 1 and 3, Code 2011, are amended to read as follows:

1. Upon compliance with the requirements of this chapter, one or more state banks, one or more national banks, ~~one or more state associations,~~ one or more federal associations, one

or more corporations, or any combination of these entities, with the approval of the superintendent, may merge into a state bank.

3. Upon compliance with the requirements of this chapter ~~and chapter 534~~, one or more state banks may merge with one or more ~~state associations or~~ federal associations. The authority of a state bank to merge into a ~~state or~~ federal association is subject to the conditions the laws of the United States authorize at the time of the transaction.

Sec. 110. Section 524.1409, Code 2011, is amended to read as follows:

**524.1409 Conversion of national bank or federal savings association ~~or state savings and loan association~~ into state bank.**

A national bank, or federal savings association, ~~or state savings and loan association~~, subject to the provisions of this chapter, may convert into a state bank upon authorization by and compliance with the laws of the United States, adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders, and upon approval of the superintendent.

Sec. 111. Section 524.1410, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A national bank, or federal savings association, ~~or state savings and loan association~~ shall make an application to the superintendent for approval of the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available:

Sec. 112. Section 524.1411, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The articles of conversion shall be signed by two duly authorized officers of the national bank, or federal savings association, ~~or state savings and loan association~~ and shall contain all of the following:

Sec. 113. Section 524.1411, subsection 1, Code 2011, is amended to read as follows:

1. The name of the national bank, or federal savings association, ~~or state savings and loan association~~ and the name of the resulting state bank.

Sec. 114. Section 524.1412, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Within thirty days after the application for conversion has been accepted for processing, the national bank, or federal savings association, ~~or state savings and loan association~~ shall publish a notice of the delivery of the articles of conversion to the superintendent in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the national bank, or federal savings association, ~~or state savings and loan association~~ has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the national bank, or federal savings association, ~~or state savings and loan association~~ has its principal place of business. Proof of publication of the notice shall be delivered to the superintendent within fourteen days. The notice shall set forth all of the following:

Sec. 115. Section 524.1412, subsection 1, Code 2011, is amended to read as follows:

1. The name of the national bank, or federal savings association, ~~or state savings and loan association~~ and the name of the resulting state bank.

Sec. 116. Section 524.1415, Code 2011, is amended to read as follows:

**524.1415 Effect of filing of articles of conversion with secretary of state.**

1. The conversion is effective upon the filing of the articles of conversion with the secretary of state, or at any later date and time as specified in the articles of conversion. The acknowledgment of filing is conclusive evidence of the performance of all conditions required by this chapter for conversion of a national bank, or federal savings association, ~~or state savings and loan association~~ into a state bank, except as against the state.

2. When a conversion becomes effective, the existence of the national bank, or federal savings association, ~~or state savings and loan association~~ shall continue in the resulting state bank which shall have all the property, rights, powers, and duties of the national bank, or federal savings association, ~~or state savings and loan association~~, except that the resulting state bank shall have only the authority to engage in such business and exercise such powers as it would have, and shall be subject to the same prohibitions and limitations to which it would be subject, upon original incorporation under this chapter. The

articles of incorporation of the resulting state bank shall be the provisions stated in the articles of conversion.

3. A liability of the national bank, or federal savings association, ~~or state savings and loan association~~, or of the national bank's, or federal savings association's, ~~or state savings and loan association's~~ shareholders, directors, or officers, is not affected by the conversion. A lien on any property of the national bank, or federal savings association, ~~or state savings and loan association~~ is not impaired by the conversion. A claim existing or action pending by or against the national bank, or federal savings association, ~~or state savings and loan association~~ may be prosecuted to judgment as if the conversion had not taken place, or the resulting state bank may be substituted in its place.

4. The title to all real estate and other property owned by the converting national bank, or federal savings association, ~~or state savings and loan association~~ is vested in the resulting state bank without reversion or impairment.

Sec. 117. Section 524.1416, Code 2011, is amended to read as follows:

**524.1416 Authority for conversion of state bank into national bank or federal savings association ~~or state savings and loan association~~.**

1. A state bank may convert into a national bank, or federal savings association, ~~or state savings and loan association~~ upon authorization by and compliance with the laws of the United States, and adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders. The authority of a state bank to convert into a national bank or federal savings association shall be subject to the condition that at the time of the transaction, the laws of the United States shall authorize a national bank or federal savings association located in this state, without approval by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, to convert into a state bank under limitations and conditions no more restrictive than those contained in this section and section 524.1417 with respect to conversion of a state bank into a national bank or federal savings association.

2. A state bank which converts into a national bank or federal savings association shall notify the superintendent of

the proposed conversion, provide such evidence of the adoption of the plan as the superintendent may request, notify the superintendent of any abandonment or disapproval of the plan, and file with the superintendent and with the secretary of state a certificate of the approval of the conversion by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, and the date upon which such conversion is to become effective. A state bank that converts into a national bank or federal savings association shall comply with the provisions of section 524.310, subsection 1.

~~3. A state bank that converts into a state savings and loan association shall file with the secretary of state a certificate of the approval of the conversion by the superintendent and the date upon which such conversion is to be effective.~~

Sec. 118. Section 524.1417, Code 2011, is amended to read as follows:

**524.1417 Appraisal rights of shareholder of converting state or national bank or federal or state savings association.**

1. A shareholder of a state bank that converts into a national bank, or federal savings association, ~~or a state savings and loan association~~ who objects to the plan of conversion is entitled to appraisal rights as provided in chapter 490, division XIII.

2. If a shareholder of a national bank or federal savings association that converts into a state bank objects to the plan of conversion and complies with the requirements of applicable laws of the United States, the resulting state bank is liable for the value of the shareholder's shares as determined in accordance with such laws of the United States.

~~3. If a shareholder of a state savings and loan association that converts to a state bank objects to the plan of conversion and complies with the requirements of applicable laws of this state, the resulting bank is liable for the value of the shareholder's shares as determined in accordance with such laws of this state.~~

Sec. 119. Section 524.1418, Code 2011, is amended to read as follows:

**524.1418 Succession to fiduciary accounts and appointments — application for appointment of new fiduciary.**

The provisions of section 524.1009 apply to a resulting state or national bank, or federal savings association, ~~or~~

~~state savings and loan association~~ after a conversion with the same effect as though the state or national bank, or federal savings association, ~~or state savings and loan association~~ were a party to a plan of merger, and the conversion were a merger, within the provisions of that section.

Sec. 120. Section 524.1805, subsection 5, Code 2011, is amended to read as follows:

5. For purposes of subsection 1, a bank that resulted from the conversion of a ~~state savings and loan association or~~ federal savings association, as defined in 12 U.S.C. § 1813, is deemed to have been in continuous existence and operation as a bank for the combined periods of continuous existence and operation of the bank and the association from which it was converted.

Sec. 121. Section 527.2, subsections 2 and 9, Code 2011, are amended to read as follows:

2. "*Administrator*" means and includes the superintendent of banking, ~~the superintendent of savings and loan associations,~~ and the superintendent of credit unions within the department of commerce and the supervisor of industrial loan companies within the office of the superintendent of banking. However, the powers of administration and enforcement of this chapter shall be exercised only as provided in sections 527.3, 527.5, subsection 7, sections 527.11, 527.12, and any other pertinent provision of this chapter.

9. "*Financial institution*" means and includes any bank incorporated under the provisions of any state or federal law, any savings and loan association incorporated under the provisions of ~~any state or~~ federal law, any credit union organized under the provisions of any state or federal law, any corporation licensed as an industrial loan company under chapter 536A, and any affiliate of a bank, savings and loan association, credit union, or industrial loan company.

Sec. 122. Section 527.3, subsection 1, Code 2011, is amended to read as follows:

1. For purposes of this chapter the superintendent of banking only has the power to issue rules applicable to, to accept and approve or disapprove applications or informational statements from, to conduct hearings and revoke any approvals relating to, and to exercise all other supervisory authority created by this chapter with respect to banks; ~~the superintendent of savings and loan associations only shall have and exercise such powers and authority with respect to savings~~

~~and loan associations;~~ the superintendent of credit unions only has such powers and authority with respect to credit unions; and the superintendent of banking or the superintendent's designee only has such powers and authority with respect to industrial loan companies.

Sec. 123. Section 527.5, subsection 11, paragraph d, Code 2011, is amended to read as follows:

d. For purposes of this subsection, a national card association must be a membership corporation or organization, wherever incorporated and maintaining a principal place of business, which is engaged in the business of administering for the benefit of the association's members a program involving electronic funds transfer transaction cards or access devices depicting a service mark, logo, or trademark associated with the national card association and which may be utilized to perform transactions at point-of-sale terminals. A national card association must have a membership solely comprised of insured depository financial institutions, organizations directly or indirectly owned or controlled solely by insured depository financial institutions, entities wholly owned by one or more insured depository financial institutions, holding companies having at least two-thirds of their assets consisting of the voting stock of insured depository financial institutions, organizations wholly owned by one or more holding companies having at least two-thirds of their assets consisting of the voting stock of insured depository financial institutions and which are solely engaged in activities related to the programs sponsored by the national card association, or such other entities or organizations which are authorized by the national card association's bylaws to participate in the electronic funds transfer transaction card or access device programs or other services and programs sponsored by the national card association. For purposes of this subsection, a national card association shall not include a financial institution, bank holding company as defined in section 524.1801, or in the federal Bank Holding Company Act of 1956, 12 U.S.C. § 1842(d), as amended to July 1, 1994, ~~association holding company as defined in section 534.102, or a supervised organization as defined in section 534.102, or~~ any other financial institution holding company organized under federal or state law, or a subsidiary or affiliate corporation owned or controlled by a financial institution or financial institution holding company, which has authorized a customer or member



to engage in satellite terminal transactions. For purposes of this subsection, a national card association shall also not include a membership corporation or organization which is conducting business as a regional or nationwide network of shared electronic funds transfer terminals which do not constitute point-of-sale terminals, and is engaged in satellite terminal transaction services utilizing a common service mark, logo, or trademark to identify such terminal services.

Sec. 124. Section 527.9, subsection 5, Code 2011, is amended to read as follows:

5. *a.* Effective July 1, 1987, a person owning or operating a central routing unit authorized under this section shall include public representation on any board setting policy for the central routing unit. Four or five public members shall be appointed to the board in the following manner:

(1) ~~Two~~ Three members shall be appointed by the superintendent of banking.

(2) One member shall be appointed by the superintendent of credit unions.

~~(3) One member shall be appointed by the superintendent of savings and loan associations.~~

~~(4)~~ (3) If an industrial loan company is connected to the central routing unit, one member shall be appointed by the superintendent of banking.

*b.* The superintendent of banking, and superintendent of credit unions, ~~and superintendent of savings and loan associations~~ shall form a committee to set, in conjunction with the entity owning or operating the central routing unit, the term of office, the rate of compensation, and the rate of reimbursement for each public member. However, the public members shall be entitled to reasonable compensation and reimbursement from the board.

*c.* Each public member is entitled to all the rights of participation and voting as any other member of the board. The public members are to represent the interest of consumers and the business and agricultural communities in establishing policies for the central routing unit.

*d.* It is the intention of the general assembly that the ratio of public members to the overall membership of the board shall not be less than one public member for each seven members of the board. If the number of members on the board is increased, then the number of members appointed pursuant to paragraph "*a*" shall be increased to maintain the minimum ratio.

In this event, ~~a committee composed of~~ the superintendent of banking, ~~and the superintendent of credit unions, and the superintendent of savings and loan associations~~ shall appoint additional public members in order to maintain the minimum ratio.

e. An individual shall not be appointed as a public member pursuant to this subsection if the individual is a director of a financial institution or is directly employed by a financial institution doing business in this state.

Sec. 125. Section 528.2, subsection 1, Code 2011, is amended to read as follows:

1. "*Administrator*" means the superintendent of banking, ~~the superintendent of savings and loan associations,~~ and the superintendent of credit unions within the department of commerce.

Sec. 126. Section 533.301, subsection 4, Code Supplement 2011, is amended to read as follows:

4. Make deposits in state and national banks, ~~state and federal savings banks or savings and loan associations,~~ and state and federal credit unions, the accounts of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

Sec. 127. Section 533.301, subsection 5, paragraph a, Code Supplement 2011, is amended to read as follows:

a. Time deposits in state and national banks, ~~state and federal savings banks or savings and loan associations,~~ and state and federal credit unions, the deposits of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

Sec. 128. Section 533.301, subsection 18, paragraph a, Code Supplement 2011, is amended to read as follows:

a. Subject to the provisions of chapter 527, a state credit union may utilize, establish, or operate, alone or with one or more other credit unions, banks incorporated under chapter 524 or federal law, savings and loan associations incorporated under ~~chapter 534 or federal law,~~ corporations licensed under chapter 536A, or third parties, the satellite terminals permitted under chapter 527, by means of which the state credit union may transmit to or receive from any member electronic impulses constituting transactions pursuant to this subsection. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527.

Sec. 129. Section 533.305, subsection 4, paragraph c, Code

2011, is amended by striking the paragraph.

Sec. 130. Section 533.313, subsection 1, paragraph c, Code 2011, is amended to read as follows:

c. The term does not include a draft issued by a state credit union for the transfer of funds between the issuing credit union and another credit union, a bank, a savings and loan association chartered under federal law, or another depository financial institution.

Sec. 131. Section 533A.2, subsection 2, paragraph b, Code 2011, is amended to read as follows:

b. Banks, federally chartered savings and loan associations, credit unions, mortgage bankers and mortgage brokers licensed or registered under chapter 535B, insurance companies and similar fiduciaries, regulated loan companies licensed under chapter 536, and industrial loan companies licensed under chapter 536A, authorized and admitted to transact business in this state and performing credit and financial adjusting in the regular course of their principal business, or while performing an escrow function.

Sec. 132. Section 535.2, subsection 2, paragraph b, subparagraph (6), Code Supplement 2011, is amended to read as follows:

(6) With respect to any transaction referred to in paragraph "a" of this subsection, this subsection supersedes any interest-rate or finance-charge limitations contained in the Code, including but not limited to this chapter and chapters 321, 322, 524, 533, ~~534~~, 536A, and 537.

Sec. 133. Section 535.8, subsection 2, paragraph b, subparagraph (3), Code 2011, is amended to read as follows:

(3) A lender shall not charge the borrower any costs other than expressly permitted by this paragraph "b". However, additional costs incurred in connection with a loan under this paragraph "b", if bona fide and reasonable, may be collected by a state-chartered financial institution licensed under chapter 524, or 533, ~~or 534~~, to the extent permitted under applicable federal law as determined by the office of the comptroller of the currency of the United States department of treasury, the national credit union administration, or the office of thrift supervision of the United States department of treasury. Such costs shall apply only to the same type of state-chartered entity as the federally chartered entity affected and shall apply to and may be collected by an insurer organized under chapter 508 or 515, or otherwise authorized to conduct the

business of insurance in this state.

Sec. 134. Section 535A.2, subsection 2, paragraph b, Code 2011, is amended by striking the paragraph.

Sec. 135. Section 535B.11, subsection 3, paragraph b, Code 2011, is amended to read as follows:

b. Compliance with sections 524.905, 533.315, ~~534.206~~, and 536A.20 shall constitute compliance with this subsection.

Sec. 136. Section 535C.2, subsection 4, paragraph i, Code 2011, is amended by striking the paragraph.

Sec. 137. Section 536A.24, Code 2011, is amended to read as follows:

**536A.24 Electronic transactions.**

A licensee may engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses or other indicia of a transaction for delayed transmission to the licensee. Subject to the provisions of chapter 527, a licensee may utilize, establish or operate, alone or with one or more other licensees, banks incorporated under the provisions of chapter 524 or federal law, credit unions incorporated under the provisions of chapter 533 or federal law, savings and loan associations incorporated under the provisions of ~~chapter 534~~ or federal law, or third parties, the satellite terminals permitted under chapter 527, by means of which the licensee may transmit to or receive from any customer electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment or operation is lawful only when in compliance with chapter 527. Nothing in this section authorizes a licensee or other person to engage in transactions not otherwise permitted by applicable law, nor does anything in this section repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by a licensee.

Sec. 138. Section 536C.2, subsection 1, Code 2011, is amended to read as follows:

1. "*Administrator*" means the superintendent of banking, ~~the superintendent of savings and loan associations or the superintendent's successor~~, or the superintendent of credit unions. However, the powers of administration and enforcement of this chapter are to be exercised pursuant to section 536C.14.

Sec. 139. Section 536C.3, Code 2011, is amended to read as follows:

**536C.3 Exemptions.**

This chapter does not apply to a bank chartered under chapter 524 or a bank chartered under federal law which has its principal place of business located in this state, ~~a savings and loan association chartered under chapter 534~~ or a savings and loan association chartered under federal law which has its principal place of business located in this state, a credit union chartered under chapter 533 or a credit union chartered under federal law which has its principal place of business located in this state, regulated loan companies licensed under chapter 536, or industrial loan companies licensed under chapter 536A.

Sec. 140. Section 536C.14, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 141. Section 537.1108, subsection 2, Code 2011, is amended to read as follows:

2. This chapter does not displace limitations on powers of credit unions, savings ~~and loan~~ associations, or other thrift institutions whether organized for the profit of shareholders or as mutual organizations.

Sec. 142. Section 537.1301, subsection 3, Code 2011, is amended to read as follows:

3. "*Affiliate*" as used in reference to a state bank means the same as defined in section 524.1101. "*Affiliate*" as used in reference to a national banking association means the same as defined in section 524.1101, except that the term "national banking association" shall be substituted for the term "state bank". "*Affiliate*" as used in reference to a federally chartered or out-of-state chartered savings and loan association shall mean the same as defined in 12 C.F.R. § 561.4.

Sec. 143. Section 537.1301, subsection 44, Code 2011, is amended to read as follows:

44. "*Supervised financial organization*" means a person, other than an insurance company or other organization primarily engaged in an insurance business, which is organized, chartered, or holding an authorization certificate pursuant to chapter 524, or 533, ~~or 534~~, or pursuant to the laws of any other state or of the United States which authorizes the person to make loans and to receive deposits, including a savings, share, certificate or deposit account, and which is subject to supervision by an official or agency of this state, such other state, or of the United States.

Sec. 144. Section 537.2301, subsection 1, Code 2011, is amended to read as follows:

1. As used in this part, "*licensing authority*" means the agency designated in chapter 524, 533, ~~534~~, 536, or 536A to issue licenses or otherwise authorize the conduct of business pursuant to the respective chapter or this chapter, and "*licensee*" includes any person subject to regulation by a licensing authority. "*License*" includes the authorization, of whatever form, to engage in the conduct regulated under those chapters.

Sec. 145. Section 537.2305, subsection 1, Code 2011, is amended to read as follows:

1. For the purpose of discovering violations of this chapter or securing information lawfully required, the licensing authority shall examine periodically at intervals the licensing authority deems appropriate, but not less frequently than is required for other examinations of the licensee by section 524.217, 533.113, ~~534.401~~, 536.10, or 536A.15, whichever is applicable, the loans, business, and records of every licensee, except a licensee which has no office physically located in this state and engages in no face-to-face solicitation in this state. In addition, the licensing authority may at any time investigate the loans, business, and records of any lender. For these purposes the licensing authority shall be given free and reasonable access to the offices, places of business, and records of the lender.

Sec. 146. Section 537.2501, subsection 1, paragraph j, Code 2011, is amended to read as follows:

j. For a consumer loan where the amount financed does not exceed three thousand dollars and the term of the loan does not exceed twelve months, a bank, ~~savings bank, savings and loan association, or~~ credit union incorporated pursuant to state or federal law, or a federally chartered or out-of-state chartered savings bank or savings and loan association may charge an additional application fee not to exceed the lesser of ten percent of the amount financed or thirty dollars. If the loan is not approved, the application fee shall not exceed the lesser of ten percent of the amount applied for by the applicant or thirty dollars. The fee permitted pursuant to this paragraph shall not be charged in connection with a loan used for the purchase of a motor vehicle, or for a loan where the borrower's dwelling is used as security.

Sec. 147. Section 537.6105, subsection 1, Code 2011, is

amended to read as follows:

1. With respect to supervised financial organizations subject to regulation under ~~chapters~~ chapter 524, or 533 and 534, and persons licensed under chapters 536 and 536A, the powers of examination and investigation as provided in sections 537.2305 and 537.6106, and administrative enforcement as provided in sections 537.2303 and 537.6108, shall be exercised by the official or agency to whose supervision the person is subject. All other powers of the administrator under this chapter may be exercised by the administrator with respect to such persons. In all actions or other court proceedings brought to enforce this chapter, the attorney general or the attorney general's designee shall participate.

Sec. 148. Section 537.6201, Code 2011, is amended to read as follows:

**537.6201 Applicability.**

This part applies to all of the following:

1. Creditors engaged in consumer credit transactions and acts, practices or conduct involving consumer credit transactions to which this chapter applies pursuant to section 537.1201, but not to those licensed, certificated, or otherwise authorized to engage in business by chapter 524, 533, ~~534~~, 536 or 536A.

2. Debt collectors, as defined in section 537.7102, subsection 5, to whose acts, practices, or conduct this chapter applies pursuant to section 537.1201 if the total debt collected by a debt collector in the preceding calendar year exceeds twenty-five thousand dollars, or if not, if the total debt collected during the current calendar year exceeds twenty-five thousand dollars, but this part does not apply to those licensed, certified, or otherwise authorized to engage in business under chapter 524, 533, ~~534~~, 536, or 536A.

Sec. 149. Section 537.7103, subsection 4, paragraph b, subparagraph (2), Code 2011, is amended to read as follows:

(2) Communications issued directly by a state bank as defined in section 524.103 or its affiliate, a state bank chartered under the laws of any other state or its affiliate, a national banking association or its affiliate, a trust company, a federally chartered savings and loan association or savings bank or its affiliate, an out-of-state chartered savings and loan association or savings bank or its affiliate, a financial institution chartered by the federal home loan bank board, ~~an association incorporated or authorized to do business under~~

~~chapter 534~~, a state or federally chartered credit union, a credit union service organization, or a company or association organized or authorized to do business under chapter 515, 518, 518A, or 520, or an officer, employee, or agent of such company or association, provided the communication does not deceptively conceal its origin or its purpose.

Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code 2011, are amended to read as follows:

1. Each real estate broker shall maintain a common trust account in a bank, a savings ~~and loan~~ association, ~~savings bank~~, or credit union for the deposit of all down payments, earnest money deposits, or other trust funds received by the broker or the broker's salespersons on behalf of the broker's principal, except that a broker acting as a salesperson shall deposit these funds in the common trust account of the broker for whom the broker acts as salesperson. The account shall be an interest-bearing account. The interest on the account shall be transferred quarterly to the treasurer of state and transferred to the Iowa finance authority for deposit in the housing trust fund established in section 16.181 unless there is a written agreement between the buyer and seller to the contrary. The broker shall not benefit from interest received on funds of others in the broker's possession.

2. Each broker shall notify the real estate commission of the name of each bank or savings ~~and loan~~ association in which a trust account is maintained and also the name of the account on forms provided therefor.

3. Each broker shall authorize the real estate commission to examine each trust account and shall obtain the certification of the bank or savings ~~and loan~~ association attesting to each trust account and consenting to the examination and audit of each account by a duly authorized representative of the commission. The certification and consent shall be furnished on forms prescribed by the commission. This subsection does not apply to an individual farm account maintained in the name of the owner or owners for the purpose of conducting ongoing farm business whether it is conducted by the farm owner or by an agent or farm manager when the account is part of a farm management agreement between the owner and agent or manager. This subsection also does not apply to an individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or



by an agent or manager when the account is part of a property management agreement between the owner and agent or manager.

Sec. 151. Section 546.3, subsection 1, Code 2011, is amended to read as follows:

1. The banking division shall regulate and supervise banks under chapter 524, debt management licensees under chapter 533A, money services under chapter 533C, delayed deposit services under chapter 533D, ~~savings and loan associations under chapter 534~~, mortgage bankers and brokers under chapter 535B, regulated loan companies under chapter 536, and industrial loan companies under chapter 536A, and shall perform other duties assigned to the division by law. The division is headed by the superintendent of banking who is appointed pursuant to section 524.201. The state banking council shall render advice within the division when requested by the superintendent.

Sec. 152. Section 551A.4, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. The offer or sale of a business opportunity if the purchaser is a bank, federally chartered savings and loan association, trust company, insurance company, credit union, or investment company as defined by the federal Investment Company Act of 1940, a pension or profit-sharing trust, or other financial institution or institutional buyer, or a broker-dealer registered pursuant to chapter 502, whether the purchaser is acting for itself or in a fiduciary capacity.

Sec. 153. Section 556.1, subsections 1 and 4, Code 2011, are amended to read as follows:

1. "*Banking organization*" means any bank, trust company, savings bank, savings association, industrial bank, land bank, safe deposit company, or a private banker engaged in business in this state.

4. "*Financial organization*" means any ~~savings and loan association, building and loan association,~~ federally chartered savings and loan association, credit union, cooperative bank or investment company, engaged in business in this state.

Sec. 154. Section 636.23, subsections 10 and 14, Code 2011, are amended to read as follows:

10. ~~*Building and loan Savings associations.*~~ Shares of ~~building and loan associations and savings and loan associations, incorporated under the laws of Iowa and in shares of federal savings and loan associations organized under the laws of the United States of America.~~

14. *Limitation as to court-approved investments.* This section does not prohibit investment of such funds in a savings account or time certificate of deposit of a bank or savings ~~and loan~~ association located within the city or its county of this state and when first approved by the court. However, a city that is the trustee of a cemetery as provided in section 523I.508 may invest perpetual care funds in a savings account or certificates of deposit at a bank ~~or savings and loan association~~ located in this state without court approval.

Sec. 155. Section 636.45, subsection 1, unnumbered paragraph 1, Code Supplement 2011, is amended to read as follows:

Insurance companies, savings ~~and loan~~ associations, trustees, guardians, executors, administrators, and other fiduciaries, the state and its political subdivisions, and institutions and agencies thereof, and all other persons, associations, and corporations:

Sec. 156. Section 636.45, subsection 2, Code Supplement 2011, is amended to read as follows:

2. It shall be lawful for insurance companies, savings ~~and loan~~ associations, trustees, guardians, executors, administrators, and other fiduciaries, the state and its political subdivisions, and institutions and agencies thereof, and all other persons, associations, and corporations, subject to the laws of this state, to originate real estate loans which are guaranteed or insured by the secretary of the United States department of veterans affairs under the provisions of 38 U.S.C. § 3701 et seq., and originate loans secured by real property or leasehold, as the federal housing administrator insures or makes a commitment to insure pursuant to Tit. II of the National Housing Act (1934), and may obtain such insurance and may invest their funds, and the moneys in their custody or possession, eligible for investment, in bonds and notes secured by mortgage or trust deed insured by the federal housing administrator, and in the debentures issued by the federal housing administrator pursuant to Tit. II of the National Housing Act (1934), and in securities issued by national mortgage associations or similar credit institutions now or hereafter organized under Tit. III of the National Housing Act (1934), and in real estate loans which are guaranteed or insured by the secretary of the United States department of veterans affairs under the provisions of 38 U.S.C. § 3701 et seq.

Sec. 157. REPEAL. Chapter 534, Code and Code Supplement 2011, is repealed.

---

JOHN P. KIBBIE  
President of the Senate

---

KRAIG PAULSEN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2202, Eighty-fourth General Assembly.

---

MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2012

---

TERRY E. BRANSTAD  
Governor